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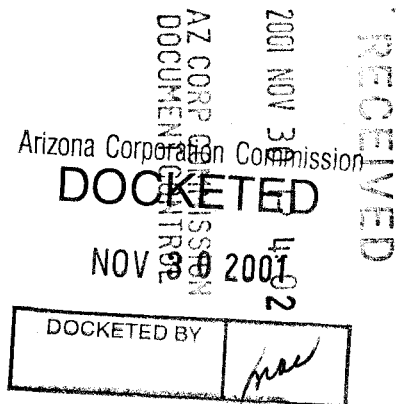
30NF

BEFORE THE ARIZONA POWER PLANT AND LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF
BOWIE POWER STATION, L.L.C., IN
CONFORMANCE WITH REQUIREMENTS
OF ARIZONA REVISED STATUTES 40-360.03
AND 40-360.06 FOR TWO CERTIFICATES OF
ENVIRONMENTAL COMPATIBILITY
AUTHORIZING CONSTRUCTION OF A
1,000 MEGAWATT NATURAL GAS-FIRED,
COMBINED-CYCLE POWER PLANT, 345 kV
AND 345 kV/230kV SWITCHYARDS, 345 kV
230 kV INTERCONNECTION AND RELATED
FACILITIES IN COCHISE AND GRAHAM
COUNTIES, ARIZONA. THE PROPOSED
POWER STATION SITE IS LOCATED IN
SECTIONS 28 AND 29, TOWNSHIP 12 SOUTH,
RANGE 28 EAST, TOWNSHIP 11 SOUTH,
RANGE 28 EAST, TOWNSHIP 11 SOUTH,
RANGE 27 EAST, AND TOWNSHIP 11 SOUTH,
RANGE 26 EAST, GILA AND SALT RIVER BASE
AND MERIDIAN

DOCKET NO. L-00000B-01-0118

STAFF'S NOTICE OF FILING
PROPOSED CONDITIONS



Pursuant to the Procedural Order issued in this matter by the Arizona Power Plant and Line Siting Committee ("Committee") on October 19, 2001, the Arizona Corporation Commission's Utilities Division staff ("Staff") hereby files its proposed conditions.

Staff is filing its proposed conditions separately from those of other parties to this matter. This separate filing should not be construed either as disagreement with or agreement with any filings made by any other party or parties. If the Committee grants Bowie Power Station, L.L.C. a Certificate of Environmental Compatibility ("CEC"), Staff recommends that the following sixteen conditions be placed on the CEC. By filing these conditions, Staff is not recommending that this Committee approve or disapprove the application. Staff reserves the right to change, modify, add or subtract conditions as additional evidence is presented to the Committee.

Staff's Proposed Conditions

1. Authorization to construct the facility will expire five years from the date the Certificate is approved by the Arizona Corporation Commission unless construction is completed to the point that the facility is capable of operating at its rated capacity by that time; provided, however, that prior to such expiration the facility owner may request that the Arizona Corporation Commission extend this time limitation.

2. Applicant's project shall build two transmission lines connecting the Applicant's plant switchyard to the new transmission switchyard on separate structures separated by a minimum of 200 feet. Applicant's plant interconnection must satisfy the Western Systems Coordinating Council's ("WSCC") single contingency outage criteria (N-1) and all applicable local utility planning criteria without reliance on remedial action such as, but not limited to, reducing generator output, generator unit tripping or load shedding.
3. Prior to construction of any facilities, Applicant must provide the Commission with technical study evidence that sufficient transmission capacity exists to accommodate the full output of the plant and that the full output of the 1,000 MW plant (1,100 MW with duct firing) will not compromise the reliable operation of the interconnected transmission system. The technical studies shall include a power flow and stability analysis report showing the effect of the total output of the plant on the planned Arizona electric transmission system. The technical study report(s) shall document both physical flow capability as well as contractual schedule capability for the total output of the plant to its intended market. In addition, Applicant must provide the Commission with updates to the information required in this condition not more than one year and not less than three months prior to commercial operation of the first 500 MW phase of the proposed plant.
4. Prior to construction of any facilities, Applicant shall provide the Commission with copies of all transmission agreements with any transmission provider(s) that Bowie contracts with to own and operate the transmission lines, transformers and any transmission switchyard facilities interconnecting Bowie Power Plant to the transmission grid.
5. Applicant shall provide the Commission with copies of the transmission interconnection and transmission service agreement(s) it ultimately enters into with any transmission provider(s) with whom it is interconnecting, within 30 days of execution of such agreement(s).
6. Applicant will become and remain a member of WSCC, or its successor, and file an executed copy of its WSCC Reliability Management System (RMS) Generator Agreement with the Commission. Membership by an affiliate of Applicant satisfies this condition only if Applicant is bound by the affiliate's WSCC membership.
7. Applicant shall become and remain a member of the Southwest Reserve Sharing Group or its successor, thereby making its units available for reserve sharing purposes, subject to competitive pricing.
8. Applicant shall commit and offer for Ancillary Services a total of 10% of its total plant capacity to the local Control Area with which it is interconnected and to Arizona's regional ancillary service market once a Regional Transmission Organization is operational, and until such time that a Regional Transmission Organization is operational, to a regional reserve sharing pool.

1 9. Within 30 days of the Commission decision authorizing construction of this project,
2 Applicant shall erect and maintain at the site a sign of not less than 4 feet by 8 feet
3 dimensions, advising:

- 4 a. That the site has been approved for the construction of a 1,000 megawatt generating
5 facility.
6 b. The expected date of completion of the facility.
7 c. A phone number for public information regarding the project be provided.

8 In the event that the Project requests an extension of the term of the certificate prior to
9 completion of the construction, Applicant shall use reasonable means to directly notify
10 all landowners and residents within one-mile radius of the project of the time and place
11 of the proceeding in which the Commission shall consider such request for extension.
12 Applicant shall also provide notice of such extension to the community of Cochise
13 County.

14 10. Applicant shall offer wholesale power for sale to Arizona customers via open market,
15 arms-length transactions.

16 11. Bowie Power Plant shall not intentionally withhold its capacity from the market for
17 reasons other than a forced outage or a pre-announced planned outage.

18 12. In connection with the construction of the project, Applicant shall use commercially
19 reasonable efforts, where feasible, to give due consideration to use of Arizona
20 contractors.

21 13. Applicant shall participate in good faith in the Central Arizona Transmission Study,
22 and other state and regional transmission study forums, to identify and encourage
23 expedient implementation of transmission enhancements, including transmission cost
24 participation as appropriate, to reliably deliver power from the proposed plant
25 throughout the WSCC grid in a reliable manner, and as necessary to resolve
26 transmission deficiencies between Bowie Power Plant and its intended market,
27 including the Bulk EHV System, underlying 115 kV to 230 kV System, and the
28 transmission import constraints for the Phoenix and Tucson service area.

14. Transmission line structures must be offset a minimum of 100 feet from the edge of
any gas right of way.

15. Applicant shall pursue all necessary steps to ensure a reliable supply and delivery of
natural gas for the generating facility.

16. Applicant shall participate in workshops to be convened during the year 2002 that
will address both short-term and long-term gas transportation reliability and capacity
issues within the State of Arizona. Applicant will work with other participants during
the years 2002, 2003, and 2004 to develop alternative solutions to these gas pipeline
issues.

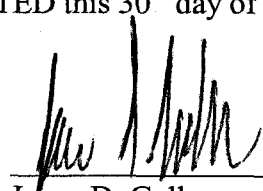
1 17. Within five days of Commission approval of this CEC, Applicant shall request in
2 writing that El Paso Natural Gas Company ("El Paso") provide Applicant with a
3 written report describing the operational integrity of El Paso's Southern System
4 facilities through Picacho Basin. Such request shall include:

5 A. A request for information regarding inspection, replacement and/or repairs
6 performed on this segment of El Paso's pipeline facilities since 1996 and
7 those planned through 2006; and

8 B. An assessment of subsidence impacts on the integrity of this segment of
9 pipeline over its full cycle, together with any mitigation steps taken to date
10 or planned in the future.

11 Applicant shall file El Paso's response under this docket with the Commission's
12 Docket Control. Should El Paso not respond within thirty (30) days, Applicant shall
13 docket a copy of Applicant's request with an advisory of El Paso's failure to respond.
14 In either event, Applicant's responsibility hereunder shall terminate once it has filed
15 El Paso's response or Applicant's advisory of El Paso's failure to respond.

16 RESPECTFULLY SUBMITTED this 30th day of November, 2001.

17 
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26 Pursuant to R14-3-204
27 the ORIGINAL and
28 twenty-five copies were
filed this 30th day of
November, 2001 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing
mailed/hand-delivered
this 30th day of November, 2001, to:

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